

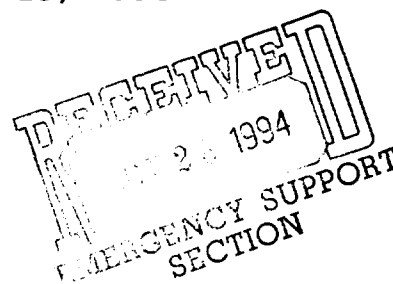
51534

LTV Steel Company



October 18, 1994

Linda Beasley  
Enforcement Specialist  
U. S. Environmental Protection Agency  
Region V  
Emergency Support Section (HSE-5J)  
77 West Jackson Blvd.  
Chicago, IL 60604



Re: General Notice of Potential Liability  
Conservation Chemical Company Site  
Gary, Indiana

Dear Ms. Beasley:

On October 10, 1994, LTV Steel Company, Inc., formerly known as Republic Steel Corporation, received the above-referenced notice. This letter is LTV Steel's response to such notice.

On July 17, 1986, LTV Steel, and 67 related entities, filed for protection pursuant to Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. As part of that proceeding, the United States of America filed a claim for response costs it incurred or expected to incur with respect to, inter alia, the Conservation Chemical Company site in Gary, Indiana. In settling the government's claims for the Conservation Chemical Company, Gary, Indiana site and other similar claims, the United States and LTV Steel entered into the attached agreement. The agreement, approved by the Bankruptcy Court, resolved all past and future claims that the United States may have against LTV Steel pursuant to CERCLA at the Conservation Chemical Company, Gary facility.

Should you have any questions concerning the terms or scope of the attached agreement, please call me at (216) 622-5628.

Very truly yours,

Dale E. Papajcik  
Senior Attorney

DEP/CMF  
enclosure

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE:

CHATEAUGAY CORPORATION,

REOMAR, INC.,

THE LTV CORPORATION, et. al.,

Debtors

)  
)  
) In Proceedings for a  
) Reorganization Under Chapter 11  
) Case Nos. 86 B 11270 (BRL)  
) Through 86 B 11334 (BRL)  
) 86 B 11402 (BRL) and  
) 86 B 11464 (BRL)  
)  
)  
)

SETTLEMENT AGREEMENT AND STIPULATED ORDER

WHEREAS The LTV Corporation and sixty-six of its affiliated entities (each referred to as a "Debtor") filed voluntary petitions for bankruptcy under Chapter 11 of the Bankruptcy Code on or after July 17, 1986 in the United States Bankruptcy Court for the Southern District of New York ("Court");

WHEREAS the United States of America ("United States"), on behalf of the United States Environmental Protection Agency ("EPA"), filed proofs of claim against certain of the Debtors on or about November 27, 1987, alleging the liability of those Debtors to the United States under a number of federal statutes relating to the protection of the environment;

WHEREAS the United States alleged in its proofs of claim that, inter alia, certain Debtors were jointly and severally liable for response costs incurred by the United States

in the course of responding to releases and threatened releases of hazardous substances into the environment from certain sites, and the proofs of claim sought to reserve the right of the United States to separately address certain Debtors' liabilities for the costs of response actions not yet taken by the United States;

WHEREAS the United States alleged in the proofs of claim that, inter alia, certain Debtors were liable for civil penalties arising out of alleged violations of environmental laws and out of EPA civil, judicial or administrative environmental enforcement proceedings pending, in progress, completed or contemplated against the Debtors;

WHEREAS the United States filed an adversary proceeding against all the Debtors, Numbers 87 Civ. 8144(JES) and 88 Civ. 0834(JES), in which the United States sought various determinations as to the nature and extent of the environmental claims, including enforcement actions, that could be discharged in these proceedings and the priority to be afforded certain claims under the various environmental statutes identified in the adversary pleadings, which adversary proceeding was decided by the District Court by entry of an Order dated March 15, 1990, and, thereafter, the United States and the Debtors, and other parties, perfected appeals from the District Court order to the United States Court of Appeals for the Second Circuit, which on September 6, 1991 affirmed the District Court's decision;

WHEREAS all the Debtors and the United States desire to settle without the need for further litigation in the bankruptcy proceedings all issues pertaining to the claims filed by the United States and other related matters, including issues raised by the adversary proceeding;

WHEREAS in consideration of, and in exchange for, the promises and covenants herein, and intending to be legally bound hereby, all the Debtors and the United States, through their authorized representatives, hereby agree to entry of the Stipulated Order set forth below;

WHEREAS settlement of these matters governed by this Settlement Agreement and Stipulated Order is in the public interest and an appropriate means of resolving these matters;

NOW, THEREFORE, without the admission or any adjudication on any issue of fact or law, and upon the consent and agreement of the parties to this Settlement Agreement and Stipulated Order by their attorneys and authorized officials, it is hereby agreed as follows:

#### I. DEFINITIONS

In this Agreement the following terms shall have the following meanings:

1. a. "Bankruptcy Code" means Title 11 of the United States Code as now in effect or hereafter amended.

b. "Bankruptcy Proceeding" means any one of the above captioned cases.

2. **"CERCLA" refers to the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601 et seq., as now in effect or hereafter amended.**

3. **"RCRA" refers to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., as now in effect or hereafter amended.**

4. **"South Bend Site" means that property currently owned by the Amland Corporation in South Bend, Indiana.**

5. **"Class A Site" means any one of the following seventeen Superfund Sites: the Arrowhead Refinery Site, Hermantown, Minnesota; Bio-Ecology Systems Site, Grand Prairie, Texas; Chemresol Site, Brunswick, Georgia; Cherokee County Site, Cherokee County, Kansas; Conservation Chemical Company of Indiana Site, Gary, Indiana; Forest Waste Products Site, Otisville, Michigan; G & H Landfill Site, Shelby Township, Michigan; Jasper County Site, Jasper County, Missouri; LH Inc. Site, Cambridge, Ohio; Liquid Disposal, Inc. Site, Utica, Michigan; Maxey Flats Site, Fleming County, Kentucky; the Ninth Avenue Dump Site, Gary, Indiana; Republic Steel Quarry Site, Elyria, Ohio; Royal Hardage Site, Criner, Oklahoma; Swissvale Auto Surplus Parts Company Site, Swissvale, Pennsylvania; Tar Creek Site, Ottawa County, Oklahoma; and the U.S. Scrap Site, Chicago, Illinois.**

6. **"Class B Site" means any one of the following fifteen Superfund Sites: the Arrowhead Refinery Site, Hermantown, Minnesota; Bio-Ecology Systems Site, Grand Prairie, Texas; Chemresol Site, Brunswick, Georgia; Cherokee County Site,**

Cherokee County, Kansas; Conservation Chemical Company of Indiana Site, Gary, Indiana; Forest Waste Products Site, Otisville, Michigan; G & H Landfill Site, Shelby Township, Michigan; LH Inc. Site, Cambridge, Ohio; Liquid Disposal, Inc. Site, Utica, Michigan; Maxey Flats Site, Fleming County, Kentucky; the Ninth Avenue Dump Site, Gary, Indiana; Republic Steel Quarry Site, Elyria, Ohio; Royal Hardage Site, Criner, Oklahoma; Tar Creek Site, Ottawa County, Oklahoma; and the U.S. Scrap Site, Chicago, Illinois. If a site is both a "Class A Site" and a "Class B Site", any reference to it as a "Class A Site" shall be inclusive of its designation as a "Class B Site" and any reference to it as a "Class B Site" shall be inclusive of its designation as a "Class A Site".

7. "Debtor Owned Site" means any property or facility which shall be owned by any LTV Debtor (as defined in Paragraph 8) as of the date of entry of an order confirming a Plan of Reorganization for that LTV Debtor.

8. a. "LTV Debtor" means any Debtor listed in Exhibit A hereto as debtor, debtor-in-possession or in a reorganized form as a result of a Bankruptcy Proceeding.

b. "A&D Debtor" means any Debtor listed in Exhibit B hereto as debtor, debtor in possession or in a reorganized form as a result of a Bankruptcy Proceeding.

c. "Vehicle Debtor" means any Debtor listed in Exhibit C hereto as debtor, debtor in possession or in a reorganized form as a result of a Bankruptcy Proceeding.

9. The "Effective Date" of this Settlement Agreement shall be the date upon which an order approving the Settlement Agreement is entered by the Court, except as otherwise provided herein.

10. "EPA Proof of Claim" means any one of the following proofs of claim filed by the United States: No. 20717; No. 23448; No. 23449; No. 23476; No. 23477; No. 23478; No. 23479; and No. 23480.

11. Except with respect to The LTV Corporation (Wyoming) and Continental Emsco Company, "Prepetition" means the time period prior to July 17, 1986; and "Postpetition" means the time period on and after July 17, 1986. As to The LTV Corporation (Wyoming) and Continental Emsco Company, "Prepetition" means the time period prior to July 31, 1986; and "Postpetition" means the period on and after July 31, 1986.

12. "Plan of Reorganization" or "Plan" refers to such plan of reorganization as may be proposed or amended and confirmed in any Bankruptcy Proceeding.

13. "Postconfirmation," as applied to any Plan of Reorganization, means the time period beginning with the entry of the order confirming that Plan of Reorganization. "Preconfirmation," as applied to any Plan of Reorganization, means the time period prior to the confirmation of that Plan of Reorganization.

14. "Settlement Agreement" means this Settlement Agreement and Stipulated Order.

15. a. "Common Stock" means the common stock of The LTV Corporation as a reorganized debtor or its successor.

b. "Initial Value" means the average of (a) the average of the daily high and low transaction prices of a share of Common Stock sold on the New York Stock Exchange as reported in The Wall Street Journal for the five trading days immediately following the effective date of the Plan of Reorganization for The LTV Corporation and (b) the average of the daily high and low transaction prices of a share of Common Stock sold on the New York Stock Exchange as reported in The Wall Street Journal for the last five trading days of the six-month period immediately following the effective date of the Plan of Reorganization for The LTV Corporation.

c. "Subsequent Value" means the average of the daily average of the high and low transaction prices of a share of Common Stock sold on the New York Stock Exchange as reported in The Wall Street Journal for the five trading days immediately preceding the day a Determined Amount is established pursuant to Paragraph 22.

## II. PARTIES BOUND

16. This Settlement Agreement applies to and is binding upon the United States and upon all LTV Debtors, A&D Debtors and Vehicle Debtors their successors and assigns, and any trustee, examiner or receiver now or hereafter appointed to take charge of all or part of their assets.



### III. PAYMENTS AND ALLOWANCE OF CLAIMS

#### A. Class A and Class B Sites

17. With respect to all the Class A Sites, the United States shall have allowed general unsecured claims under CERCLA in the amounts and against the particular Debtors set forth below, shall receive such other consideration as set forth below, or shall be deemed to have withdrawn its claims as set forth below.

a. With respect to the Arrowhead Refining Company Superfund Site located in Hermantown, Minnesota, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$12,500,000. Promptly following the Effective Date of this Settlement Agreement, the United States, and such Debtors as are named as defendants therein shall execute a stipulation dismissing with prejudice the claims of the United States against such Debtors in the pending civil action entitled United States v. Arrowhead Refining Company, et al., No. 5-89-CV-202 (D.Minn.).

b. With respect to the Bio-Ecology Systems Superfund Site located in Grand Prairie, Texas, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$300,000 and against LTV Aerospace and Defense Company in the amount of \$1,200,000.

c. With respect to the Chemresol Superfund Site located in Brunswick, Georgia, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$200,000.

d. With respect to the Cherokee County Superfund Site located in Cherokee County, Kansas, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$4,000,000.

e. With respect to the Conservation Chemical Company of Indiana Superfund Site located in Gary, Indiana, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$2,142,000.

f. With respect to the Forest Waste Products Superfund Site located in Otisville, Michigan, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$50,000.

g. With respect to the G & H Landfill Site located in Shelby Township, Michigan, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$1,200,000.

h. With respect to the LH Inc. Superfund Site located in Cambridge, Ohio, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$7,500 and, in addition, any claim of the United States for response costs incurred at such Site

after the Effective Date of this Settlement Agreement ("Future Allowance Claim") shall be dealt with pursuant to the terms of Paragraphs 21 and 22.

i. With respect to the Liquid Disposal, Inc. Superfund Site located in Utica, Michigan, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$150,000 and against LTV Aerospace and Defense Company in the amount of \$50,000.

j. With respect to the Maxey Flats Superfund Site located in Fleming City, Kentucky, LTV Aerospace and Defense Company shall pay the United States on behalf of EPA the aggregate sum of \$1,000 within thirty days after the Effective Date of this Settlement Agreement.

k. With respect to the Ninth Avenue Dump Site located in Gary, Indiana, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$3,400,000.

l. With respect to the Republic Steel Quarry Superfund Site located in Elyria, Ohio, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$1,500,000.

m. With respect to the Royal Hardage Site located in Criner, Oklahoma, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Energy Products Company in the amount of \$300,000.

n. With respect to the Tar Creek Superfund Site located in Ottawa County, Oklahoma, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$1,000,000.

o. With respect to the U.S. Scrap Superfund Site located in Chicago, Illinois, the United States on behalf of EPA shall have an allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$180,000. Promptly following the Effective Date of this Settlement Agreement, the United States and LTV Steel Company, Inc. shall execute a stipulation dismissing with prejudice the claims of the United States against all the Debtors in the pending civil action entitled United States v. Standard T Chemical Company, No. 89 C 5730 (N.D.Ill.) in accordance with the terms of this Settlement Agreement.

p. The United States on behalf of EPA shall be deemed as of the Effective Date of this Settlement Agreement to have withdrawn with prejudice its claims asserted in all EPA Proofs of Claim with respect to the Swissvale Auto Surplus Parts Company Superfund Site located in Swissvale, Pennsylvania, and the Jasper County Superfund Site, located in Jasper County, Missouri.

18. With respect to the Class A Sites, the United States shall have additional allowed general unsecured claims for recovery of damages to natural resources in the amounts and against the particular Debtors set forth below:

a. With respect to the Arrowhead Refining Company Superfund Site located in Hermantown, Minnesota, the United States on behalf of the United States Department of Interior ("DOI") shall have an additional allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$110,000.

b. With respect to the Cherokee County Superfund Site located in Cherokee County, Kansas, the United States on behalf of DOI shall have an additional allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$2,500,000.

c. With respect to the G & H Landfill Site located in Shelby Township, Michigan, and the Liquid Disposal, Inc. Superfund Site located in Utica, Michigan, the United States on behalf of DOI shall have an additional allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$1,000,000.

d. With respect to the Ninth Avenue Dump Site located in Gary, Indiana, the United States on behalf of DOI shall have an additional allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$150,000.

e. With respect to the Royal Hardage Site, located in Criner, Oklahoma, the United States on behalf of DOI shall have an additional allowed general unsecured claim against LTV Energy Products Company in the amount of \$25,000.

f. With respect to the Tar Creek Superfund Site located in Ottawa County, Oklahoma, the United States on behalf

of DOI shall have an additional allowed general unsecured claim against LTV Steel Company, Inc. in the amount of \$650,000.

19. With respect to all the Class B Sites:

a. The United States shall be deemed as of the Effective Date of this Settlement Agreement to have withdrawn with prejudice each claim asserted in the EPA Proofs of Claim with respect to all Class B Sites insofar as the claim is other than as allowed pursuant to Paragraphs 17 and 18.

b. The claims of the United States as set forth in the EPA Proofs of Claim are hereby deemed to be amended to include claims as specified in subparagraphs a through o of Paragraph 17 and subparagraphs a through f of Paragraph 18.

c. EPA will make credits to the respective site accounts for each Class B Site as a result of this Settlement Agreement. Such credits shall be in the following amounts and only the following amounts: (i) any cash payments made directly to the United States on behalf of EPA for each such Class B Site pursuant to Paragraph 17, (ii) any cash distributions on the general unsecured claims allowed the United States on behalf of EPA for each such Class B Site pursuant to Paragraph 17, and (iii) the actual net cash received by the United States on behalf of EPA as a result of the disposition of any non-cash distributions on the general unsecured claims allowed the United States on behalf of EPA for each such Class B Site pursuant to Paragraph 17.

d. DOI will make credits to the respective site accounts for the restoration of damages to natural resources pursuant to subparagraphs a through f of Paragraph 18 as a result of this Settlement Agreement. Such credits shall be in the following amounts and only the following amounts: (i) any cash distributions on the general unsecured claims allowed the United States on behalf of DOI for each such site pursuant to Paragraph 18, and (ii) the actual net cash received by the United States on behalf of DOI as a result of the disposition of any non-cash distributions on the general unsecured claims allowed the United States on behalf of DOI for each such site.

**B. Debtor Owned Sites**

**20. With respect to any Debtor Owned Site:**

a. The only claims of the United States which the LTV Debtors and the United States agree shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization or impaired or affected in any way by the reorganization of any LTV Debtor shall be: (i) claims for the recovery of response costs incurred Preconfirmation on any Debtor Owned Site, except for any response costs incurred at the J&L Landfill Superfund Site in Avon Township, Michigan; (ii) the penalty claims set forth in Paragraph 24; and (iii) any claims for penalties for activities undertaken by LTV Debtors Prepetition.

b. No claim with respect to any Debtor Owned Site, other than those claims identified in Subparagraph 20.a, shall be

discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization or impaired or affected in any way by the reorganization of any LTV Debtor. The United States may pursue enforcement actions or proceedings with respect to such unimpaired or unaffected claims in the manner, and by the administrative or judicial tribunals, in which the United States could have pursued enforcement actions or proceedings if the Bankruptcy Proceedings had never been commenced. The LTV Debtors may defend such enforcement actions or proceedings on any grounds except those arising out of the Bankruptcy Code.

c. If pollution or contamination exists on property which is not a Debtor Owned Site but that pollution or contamination arose on and is contiguous with pollution or contamination which exists on a Debtor Owned Site, the first-said pollution or contamination shall be deemed to exist on a Debtor Owned Site for purposes of Subparagraph 20.b.

C. Additional Sites

21. a. With respect to sites other than the Class A Sites and the Debtor Owned Sites, but including the Future Allowance Claims, (each such other site and Future Allowance Claim being referred to as an "Additional Site"), any liabilities and obligations of an LTV Debtor to the United States under Section 106 and 107 of CERCLA, 42 U.S.C. §9606 and 9607, Section 7003 of RCRA, 42 U.S.C. §6973, and Section 7 of the Toxic Substances Control Act, 15 U.S.C. §2606, including, but not limited to liabilities and obligations for damages to natural



resources, arising from the Prepetition acts, omissions, or conduct of a LTV Debtor or any of its predecessors, shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization for that LTV Debtor, and shall have the status of unliquidated general unsecured claims, except that with respect to any Additional Site which was owned by any Debtor Preconfirmation, any liabilities and obligations of an LTV Debtor to the United States under Section 106 and 107 of CERCLA, 42 U.S.C. §§9606 and 9607, Section 7003 of RCRA, 42 U.S.C. §6973, and Section 7 of the Toxic Substances Control Act, 15 U.S.C. §2606, including, but not limited to liabilities and obligations for damages to natural resources, arising from the Preconfirmation acts, omissions, or conduct of an LTV Debtor or any of its predecessors, shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization for that LTV Debtor, and shall have the status of unliquidated general unsecured claims.

The United States shall receive no distributions in the Bankruptcy Proceedings on account of such liabilities and obligations at the time of confirmation of a Plan for that LTV Debtor, but such claims shall be liquidated if, as and when the United States undertakes enforcement activities in the ordinary course. Notwithstanding the terms of the Plan, the order confirming the Plan, or the terms of any order entered to effectuate the discharge received by such LTV Debtor, the United States may seek a determination of such liability of the LTV

Debtor with regard to Additional Sites in the manner, and by the administrative or judicial tribunals, in which the United States' claims would have been resolved or adjudicated if the LTV Debtor's Bankruptcy Proceeding had never been commenced; provided, however, that any and all verdicts, judgments and other determinations with respect to the liability of any LTV Debtor shall have the status of general unsecured claims that shall be satisfied in the manner provided in Paragraph 22. The LTV Debtors expressly reserve all their rights and defenses in connection with any such determination sought by the United States, except for such rights and defenses as may arise under the Bankruptcy Code. In no event shall the United States seek an order requiring an LTV Debtor to satisfy in a manner other than as provided in Paragraph 22 any liability it may be determined to have with respect to an Additional Site.

In addition to the foregoing, the United States may not pursue a civil or administrative action against an LTV Debtor pursuant to Sections 106 and 107 of CERCLA, 42 U.S.C. §§9606 and 9607, Section 7003 of RCRA, 42 U.S.C. §6973, and Section 7 of the Toxic Substances Control Act, 15 U.S.C. §2606, relating to the Additional Sites, if the claim giving rise to such action arises solely as the result of any merger or consolidation of an A&D Debtor into, or with, an LTV Debtor after confirmation of a Plan of Reorganization for the Debtors or the succession, for any reason, of an LTV Debtor to the liabilities and obligations of an A&D Debtor or a Vehicle Debtor.

Notwithstanding the foregoing, in any action or proceeding with respect to an Additional Site, if the United States seeks to have any LTV Debtor held jointly and severally liable along with other persons, including another LTV Debtor, each LTV Debtor reserves whatever right it would have had to assert, had the claim been liquidated during the course of the bankruptcy action, that joint and several liability should not be imposed, and the United States reserves whatever rights it would have had to assert, had the claim been liquidated during the course of the bankruptcy action, that joint and several liability should be imposed.

b. The United States shall be deemed as of the Effective Date of this Settlement Agreement to have a proof of claim against the LTV Debtors which incorporates the claims identified in Subparagraph 21.a.

22. When a claim is liquidated pursuant to Paragraph 21 by settlement or judgment to a determined amount (the "Determined Amount"), the LTV Debtor with which such settlement is made or against which such judgment is entered will, within thirty days after the settlement or judgment is final, satisfy each such claim as follows: With respect to the first \$15,000,000 in claims liquidated pursuant to Paragraph 21, the claims shall be satisfied, at the option of the LTV Debtor, with any of (a) cash in an amount equal to the Initial Value multiplied by the number of shares of Common Stock that would have been distributed under the Plan of such LTV Debtor to a

creditor holding a general unsecured claim equal to the Determined Amount on the effective date of such Plan, (b) a number of shares of Common Stock equal to the Initial Value multiplied by the number of shares of Common Stock that would have been distributed under such Plan to a creditor holding a general unsecured claim equal to the Determined Amount on the effective date of such Plan and divided by the Subsequent Value, or (c) a combination of (a) and (b) providing the same consideration as would have been provided under either (a) or (b); With respect to claims over the first \$15,000,000 in claims liquidated pursuant to Paragraph 21, the claims shall be satisfied, at the option of the LTV Debtor, with any of (x) cash in an amount equal to the Subsequent Value multiplied by the sum of a first number of shares of Common Stock that would have been distributed under the Plan of such LTV Debtor to a creditor holding a general unsecured claim equal to the Determined Amount on the effective date of such Plan, plus a second number of shares of Common Stock equal to the number of shares of Common Stock that would have been distributed to a shareholder of record who held said first number of shares had such shareholder retained ownership of said first number of shares of Common Stock from the effective date of such Plan to the date of liquidation of the Determined Amount, or (y) a number of shares of Common Stock equal to the sum of a first number of shares of Common Stock that would have been distributed under such Plan to a creditor holding a general unsecured claim equal to the

Determined Amount on the effective date of such Plan, plus a second number of shares of Common Stock equal to the number of shares of Common Stock that would have been distributed to a shareholder of record who held said first number of shares had such shareholder retained ownership of said first number of shares of Common Stock from the effective date of such Plan to the date of liquidation of the Determined Amount, or (z) a combination of (x) and (y) providing the same consideration as would have been provided under either (x) or (y); also with respect to each claim over the first \$15,000,000 in claims liquidated pursuant to Paragraph 21, the amount of cash and/or Common Stock furnished, as provided above, will be increased appropriately to take into account any dividends issued to a shareholder of record prior to the date of liquidation of the Determined Amount for such claim to the extent that it is a result of the liquidation of assets of the LTV Debtor against whom such claim lies.

23. With respect to the Additional Sites not previously owned by an LTV Debtor, all liabilities and obligations of each LTV Debtor to the United States under Sections 106 and 107 of CERCLA, 42 U.S.C. §§9606 and 9607, Section 7003 of RCRA, 42 U.S.C. §6973, and Section 7 of the Toxic Substances Control Act, 15 U.S.C. §2606, arising from Postpetition acts, omissions, or conduct of such LTV Debtor or its predecessor, and, with respect to the Additional Sites which were owned by an LTV Debtor Preconfirmation, all liabilities and

obligations of each LTV Debtor to the United States under Sections 106 and 107 of CERCLA, 42 U.S.C. §§9606 and 9607, Section 7003 of RCRA, 42 U.S.C. §6973, and Section 7 of the Toxic Substances Control Act, 15 U.S.C. §2606, arising from Postconfirmation acts, omissions or conduct of such LTV Debtor or its predecessor, shall not be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization nor shall such claims be impaired or affected in any way by the reorganization of that LTV Debtor; provided, however, that a Debtor's failure to remedy a Prepetition act, omission, or conduct in the case of an Additional Site not previously owned by an LTV Debtor, or a Preconfirmation act, omission, or conduct in the case of an Additional Site previously owned by an LTV Debtor, shall not constitute a Postpetition act, omission, or conduct, or a Postconfirmation act, omission, or conduct, respectively.

**D. Penalty Claims**

24. With respect to the claims of the United States for civil penalties as set forth in the EPA Proofs of Claim, unless otherwise indicated, the United States shall have allowed general unsecured claims in the amounts and against the particular Debtors set forth below:

a. With respect to the civil penalty claim set forth in paragraph 5.a of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Vehicle Corporation, asserting violation of Section 3008 of RCRA, 42 U.S.C. §6928, at the

facility formerly owned by AM General Corporation in South Bend, Indiana, the United States shall have an allowed general unsecured claim in the amount of \$30,800.

b. With respect to the civil penalty claim set forth in paragraph 5.b of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Steel Company, Inc., asserting violation of Sections 3002 and 3004 of RCRA, 42 U.S.C. §§6922 and 6924, at the Canton Works in Canton, Ohio, the United States shall have an allowed general unsecured claim in the amount of \$40,750.

c. Upon the Effective Date of this Settlement Agreement, the United States shall be deemed to have withdrawn its claim for civil penalties set forth in paragraph 5.c of each of the EPA Proofs of Claim.

d. With respect to the civil penalty claim set forth in paragraph 5.d of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Steel Tubular Products Company, asserting violation of Section 307 of the Clean Water Act at the electroplating and finishing plants in Ferndale, Michigan and Cleveland, Ohio, the United States shall have an allowed general unsecured claim in the amount of \$150,000.

e. Upon the Effective Date of this Settlement Agreement, the United States shall be deemed to have withdrawn its claim for civil penalties set forth in paragraph 5.e of each of the EPA Proofs of Claim.

f. Upon the Effective Date of this Settlement Agreement, the United States shall be deemed to have withdrawn its claim for civil penalties set forth in paragraph 5.f of each of the EPA Proofs of Claim.

g. With respect to the civil penalty claim set forth in paragraph 5.g of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Steel Company, Inc., asserting violation of the Clean Air Act involving the coke oven doors at the LTV Steel Company, Inc.'s facility in Chicago, Illinois, the United States shall have an allowed general unsecured claim in the amount of \$102,000.

h. With respect to the civil penalty claim set forth in paragraph 5.h of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Vehicle Corporation, asserting violations of the Clean Air Act and the Indiana State Implementation Plan thereunder at the facility formerly owned by LTV Vehicle Corporation in Mishawaka, Indiana ("the Facility"), the reorganization plan of LTV Vehicle Corporation shall reserve \$850,000 (the "Reserve") for the benefit of the United States against any final judgment for civil penalties ("Civil Penalty Judgment") in favor of the United States against any of the Debtors arising out of United States of America v. AM General Corporation, Civil Action No. 587-00377, pending in the United States District Court for the Northern District of Indiana. In the event that the Civil Penalty Judgment is not entirely satisfied by the acquiror, and/or the successor to the



liabilities, of the Facility ("the Acquiror/Successor"), or otherwise, within a reasonable time, the United States shall provide the Debtors with written notice of that fact, and, within thirty days after receiving such notice, the Debtors shall satisfy the Civil Penalty Judgment to the extent it is unsatisfied, the payment to be made solely from, and the Debtors' obligations to be limited to, the Reserve and any funds the Debtors recover from the Acquiror/Successor pursuant to the terms of the Acquiror/Successor's agreement to assume certain environmental liabilities and the liabilities associated with the civil action, United States of America v. AM General Corporation, Civil Action No. 587-00377, pending in the United States District Court for the Northern District of Indiana. Any amount remaining in the Reserve after satisfaction of the Civil Penalty Judgment shall be paid to LTV Steel Company, Inc. or its successor, provided, however, that this provision shall not be deemed a limitation of any liability or obligation of the Acquiror/Successor to the Debtors pursuant to the terms of the Acquiror/Successor's agreement to assume any such liability. Promptly following satisfaction of the Civil Penalty Judgment, directly or indirectly, by the Debtors, the United States and such Debtors as are named as defendants in the above-referenced action shall execute a stipulation dismissing with prejudice any claims against such Debtors relating to the Civil Penalty Judgment or the complaint identified in paragraph 5.h of each EPA Proof of Claim. The foregoing shall only affect the amount of

civil penalties that may be collected from the Debtors; it shall not be deemed a limitation of the amount of civil penalties that may be assessed against any defendant by the court in United States of America v. AM General Corporation, Civil Action No. 587-00377, pending in the United States District Court for the Northern District of Indiana.

i. With respect to the civil penalty claim set forth in paragraph 5.i of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Steel Company, Inc., asserting violation of the Clean Air Act and the Pennsylvania State Implementation Plan thereunder at LTV Steel Company, Inc.'s facilities in Aliquippa and Pittsburgh, Pennsylvania, the United States shall have an allowed general unsecured claim in the amount of \$450,000.

j. With respect to the civil penalty claim set forth in paragraph 5.j of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Steel Company, Inc., relating to alleged violations of the Clean Air Act involving LTV Steel Company, Inc.'s facilities in Ohio, Indiana and Pennsylvania, the United States shall have an allowed general unsecured claim, as previously determined by the Bankruptcy Court by Order dated April 11, 1989, in the amount of \$1,350,000.

k. With respect to the civil penalty claim set forth in paragraph 5.k of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Steel Company, Inc., asserting violation of the Clean Air Act and the Ohio State Implementation

Plan thereunder at the facility formerly owned by LTV Steel Company, Inc. in Warren, Ohio, the United States shall have an allowed general unsecured claim in the amount of \$25,000.

l. With respect to the civil penalty claim set forth in paragraphs 5.1 of each of the EPA Proofs of Claim, relating to possible violations of the Clean Air Act and the Ohio State Implementation Plan, at a plant in Canton, Ohio formerly owned by Republic Storage Systems Company, now known as the J.W. Storage Company of Ohio, the United States shall have an allowed general unsecured claim in the amount of \$25,000 against J.W. Storage Company of Ohio. Upon the Effective Date of this Settlement Agreement, the United States shall be deemed to have filed in the Bankruptcy Proceeding of J. W. Storage Company of Ohio a claim for \$25,000 in the form set forth in paragraphs 5.1 of the EPA Proofs of Claim.

m. With respect to the civil penalty claim set forth in paragraph 5.m of the EPA Proof of Claim filed in the Bankruptcy Proceeding of LTV Steel Company, Inc., asserting violation of the Toxic Substances Control Act at an LTV Steel Company, Inc. facility in Massillon, Ohio, the United States shall have an allowed general unsecured claim in the amount of \$2,000.

n. Upon the Effective Date of this Settlement Agreement, the United States shall be deemed to have withdrawn its claim for civil penalties set forth in paragraph 5.n of each of the EPA Proofs of Claim.

25. Certain of the civil penalty claims referred to in Paragraph 24 have been the subject of prior settlements set forth in administrative orders or judicial consent decrees. Nothing in this Settlement Agreement shall be deemed to alter or modify the obligation of the parties under those administrative orders or consent decrees, except as they may be modified by the establishment of allowed general unsecured claims in the amounts indicated in Paragraph 24.

26. Any claims of the United States on behalf of EPA for civil penalties arising out of Postpetition violations, if any, by any LTV Debtor shall not be discharged pursuant to Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization for such LTV Debtor nor shall such claims be impaired or affected in any way by the reorganization of the LTV Debtor. Except to the extent claims for such penalties have been otherwise settled or resolved, the United States may seek a determination of such liability of any LTV Debtor with regard to the Postpetition penalty claims in the manner, and by the administrative or judicial tribunals, in which the United States' rights would have been resolved or adjudicated if such LTV Debtor's Bankruptcy Proceeding had never been commenced.

27. a. The United States shall be deemed as of the Effective Date of this Settlement Agreement to have withdrawn with prejudice each claim asserted in the EPA Proofs of Claim with respect to civil penalties insofar as the claim is against a Debtor other than the specific Debtor against whom a claim is to

be allowed pursuant to subparagraphs a, b, d, g, and i through m of Paragraph 24.

b. As of the Effective Date of this Settlement Agreement, the EPA Proofs of Claim shall be deemed to be amended to include claims in the amounts specified in subparagraphs a, b, d, g, h, and i through m of Paragraph 24.

E. The South Bend Site

28. With respect to the South Bend Site, the Vehicle Debtors shall pay the United States on behalf of EPA the aggregate sum of \$1,000,000 within thirty days after the Effective Date of this Settlement Agreement. The United States agrees that it will not contest the Plans of Reorganization of the Vehicle Debtors, including any liquidating Plans, on the basis that such Plans fail to provide consideration for the remediation of the South Bend Site.

F. Allowance and Transfer of Claims

29. All general unsecured claims allowed under or pursuant to the terms of this Settlement Agreement, including without limitation any such claims as may eventually be allowed pursuant to Paragraph 21 for Additional Sites, regardless of the holder, will receive the same treatment under the Plan, without discrimination, as other general unsecured claims with all attendant rights provided by the Bankruptcy Code and other applicable law, except that, with respect to Additional Sites, no recovery other than Common Stock will be available to the United States except that pursuant to Paragraph 22, the United

States, at the option of an LTV Debtor, may be paid with cash rather than securities. In no event shall the general unsecured claims to be allowed pursuant to Paragraphs 18, 19, and 24 be subordinated pursuant to any provision of the Bankruptcy Code or other applicable law that authorizes or provides for subordination of allowed claims, including without limitation Sections 105, 510 and 726(a)(4) of the Bankruptcy Code.

30. Notwithstanding any other provision of this Settlement Agreement, prior to the date of the entry of an order confirming the Debtors' Plans, there shall be no restrictions, other than those imposed by the Bankruptcy Code, on the ability and right of the United States to transfer or sell to one or more third parties all or a portion the general unsecured claims allowed pursuant to this Settlement Agreement.

#### IV. PAYMENT AND DISTRIBUTION INSTRUCTIONS

31. Any cash payments to the United States due pursuant to this Settlement Agreement shall be made by the Debtor or Debtors charged herein with the liability in the following manner:

Payment shall be made by Electronic Funds transfer ("EFT" or wire transfer) to the U.S. Department of Justice lockbox bank, referencing the United States Department of Justice ("DOJ") file number 90-7-1-446. Payments by EFT must be received at the DOJ lockbox bank by 11:00 a.m. Eastern Time to be credited on that day, or as otherwise notified in writing by the United

States. Copies of all records of such payments shall be transmitted to EPA and the DOJ in the manner provided in Paragraph 43. In the event that the United States, or a subsequent seller or transferer, sells or transfers its claims, payment will be made in accordance with such written instructions as are provided by the transferee.

32. All securities and other consideration, other than cash payments, to which the United States shall be entitled as a result of its liquidated and allowed unsecured claims hereunder shall be issued in the manner and distributed as follows:

a. EPA Claims: All securities and other consideration shall be issued and distributed in the name of the United States Environmental Protection Agency and mailed to the United States Environmental Protection Agency, c/o the Assistant Attorney General, Environment and Natural Resources Division, United States Department of Justice, 10th and Pennsylvania Ave., N.W., Washington, D.C. 20530 with the DOJ Reference #90-7-1-446.

b. Claims for Natural Resource Damages: All securities and other consideration shall be issued and distributed in the name of the United States Department of Interior and mailed to the United States Department of Interior, c/o the Assistant Attorney General, Environment and Natural Resources Division, United States Department of Justice, 10th and Pennsylvania Ave., N.W., Washington, D.C. 20530 with the DOJ Reference #90-7-1-446.

Copies of the letters transmitting such securities and other consideration shall also be sent to:

Office of Enforcement/Superfund  
United States Environmental Protection Agency  
401 M. St. S.W.  
Mail Code LE 134-S  
Washington, D.C. 20640

EPA Superfund Accounting  
401 M Street, S.W.  
Washington, D.C. 20460

Associate Solicitor  
Office of the Solicitor  
Division of Conservation and Wildlife  
Department of the Interior  
18th and C Streets, N.W.  
Washington, D.C. 20240

Chief, Division of Finance  
U.S. Fish and Wildlife  
4401 N. Fairfax Drive  
Room 380  
Arlington, VA 22203

The United States, or any transferee, may modify the name(s) of the entities to which and the manner in which securities and other consideration, are to be issued and distributed, respectively, by providing notice to the responsible Debtor. All cash distributions, or net cash distributions, to EPA with respect to the Class B and the South Bend Sites will be remitted upon receipt to the Hazardous Substances Superfund.

#### V. COVENANT NOT TO SUE

33. a. In consideration of the payments that will be made and the claims allowed pursuant to the terms of this Settlement Agreement, and except as specifically provided in Paragraphs 20, 21, 35 and 37, the United States covenants not to



file a civil action or to take administrative action against the Debtors pursuant to Sections 106 and 107 of CERCLA, 42 U.S.C. §§9606 and 9607, and Section 7003 of RCRA, 42 U.S.C. §6973, relating to the Class B Sites.

b. In consideration of the payments that will be made and the claims allowed pursuant to the terms of this Settlement Agreement, and except as specifically provided in Paragraphs 20, 21, 35 and 37, the United States covenants not to file a civil action for any claim it may have related to the injury to, destruction of, or loss of natural resources with respect to those sites for which a claim was allowed pursuant to subparagraphs a through f of Paragraph 18.

34. Except as provided in Paragraph 38, the covenants not to sue extend only to the Debtors and do not extend to any other person and nothing in this Agreement is intended as a covenant not to sue or a release from liability for any person or entity other than the Debtors and the United States. The United States and Debtors expressly reserve all claims, demands and causes of action either judicial or administrative, past or future, in law or equity, which the United States or Debtors may have against any person, firm, corporation, or other entity not a party to this Settlement Agreement for any matter arising at or relating in any manner to the sites or claims addressed herein.

35. Notwithstanding the foregoing, the covenants not to sue shall not apply to or affect any claim based on (i) criminal liability; (ii) any Future Allowance Claim, provided

that the covenants not to sue shall apply to such a claim upon its being satisfied in accordance with Paragraph 22; (iii) any claims arising from Postconfirmation acts, omissions, or conduct of the Debtors or their Predecessors; or (iv) injury to, destruction, or loss of natural resources, provided that the covenant not to sue shall apply to such a claim as set forth in subparagraph b. of Paragraph 33.

36. Nothing in this Settlement Agreement shall be deemed to limit the response authority of the United States under Section 104 of CERCLA, 42 U.S.C. §9604, or any other applicable law or regulation, or to alter the applicable legal principles governing judicial review of any action taken by the United States pursuant to that authority. Nothing in this Settlement Agreement shall be deemed to limit the information gathering authority of the United States under Sections 104, 106, and 122 of CERCLA, 42 U.S.C. §§9604, 9606, and 9622, or any other applicable law or regulation, or to excuse the LTV Debtors from any disclosure or notification requirements imposed by CERCLA, RCRA, or any other applicable law or regulation. Notwithstanding the foregoing, nothing in this Agreement authorizes the United States to require an LTV Debtor to undertake response actions at the Class A and B Sites, or at the Additional Sites.

37. This Settlement Agreement in no way impairs the scope and effect of the Debtors' discharge under 11 U.S.C. §1141 as to any third parties and as to any claims, as defined in 11

U.S.C. §101(5), that are not addressed by this Settlement Agreement.

38. The covenants not to sue contained in this Section (and the reservations thereto) shall also apply to Debtors' successors and assigns, officers, directors, employees, and trustees but only to the extent that the alleged liability of the successor or assign, officer, director, employee, or trustee is based solely on its status as, and in its capacity of, a successor or assign, officer, director, employee, or trustee of any of the Debtors.

39. The Debtors hereby covenant not to sue and agree not to assert any claims or causes of action against the United States with respect to the (i) Class B Sites, and (ii) a Future Allowance Claim, upon satisfaction of the Claim pursuant to Paragraph 22. This covenant not to sue includes, but is not limited to, any direct or indirect claim for reimbursement from the Hazardous Substances Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. §9507) through Sections 106(b)(2), 111, 112, 113 of CERCLA, 42 U.S.C. §§9606(b)(2), 9611, 9612, 9613, or any other provision of law, any claim against the United States including any department, agency or instrumentality of the United States under Sections 107 or 113 of CERCLA, 42 U.S.C. §§9607 or 9613, related to the Class B Sites, or any claims arising out of response activities at the Class B Sites. Nothing in this Settlement Agreement shall be deemed to

constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. §9611, or 40 C.F.R. §300.700(d).

#### VI. EFFECT OF THE SETTLEMENT

40. Except as provided in Paragraph 38, nothing in this Settlement Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a party to this Settlement Agreement.

41. With regard to claims for contribution against the Debtors for Class B Sites, the Parties hereto agree that the Debtors are entitled to such protection from contribution actions or claims as is provided by Section 113(f)(2) of CERCLA, 42 U.S.C. §9613(f)(2).

42. The LTV Debtors each agree that with respect to any suit or claim for contribution first brought against it after the Effective Date of this Settlement Agreement for matters related to this Settlement Agreement, it will notify the United States within ten days of service of the complaint upon it. In addition, in connection with such suit or claim, the respective LTV Debtor shall notify the United States within ten days of service or receipt of any Motion for Summary Judgment and within ten days of receipt of any order from a court setting a case for trial.

## VII. NOTICES AND SUBMISSIONS

43. Whenever, under the terms of this Settlement Agreement, written notice is required to be given, or a report or other document is required to be sent by one party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Settlement Agreement with respect to the United States, EPA, DOI and the Debtors, respectively.

a. As to the United States:

Assistant Attorney General  
Environment and Natural Resources Division  
U.S. Department of Justice  
10th and Pennsylvania Ave. N.W.  
Washington, D.C. 20530  
Ref. D.J. #90-7-1-446

b. As to EPA:

Office of Enforcement/Superfund  
United States Environmental Protection Agency  
401 M. St. S.W.  
Mail Code LE 134-S  
Washington, D.C. 20640

c. As to DOI:

Associate Solicitor  
Office of the Solicitor  
Division of Conservation and Wildlife  
Department of the Interior  
18th and C Streets, N.W.  
Washington, D.C. 20240

d. As to the LTV Debtors:

Secretary  
LTV Debtors  
c/o LTV Steel Company, Inc.  
25 W. Prospect Ave.  
Cleveland, OH 44115

e. As to the A&D Debtors:

Secretary  
A&D Debtors  
c/o LTV Aerospace and Defense Company  
25 W. Prospect Ave.  
Cleveland, OH 44115

f. As to the Vehicle Debtors:

Secretary  
Vehicle Debtors  
c/o LTV Vehicle Corporation  
25 W. Prospect Ave.  
Cleveland, OH 44115

VIII. LODGING AND OPPORTUNITY FOR PUBLIC COMMENT

44. This Settlement Agreement shall be lodged with the Court for a period not less than thirty days for public notice and comment. The United States reserves the right to withdraw or withhold its consent if the comments regarding the Settlement Agreement disclose facts or considerations which indicate that the Settlement Agreement is inappropriate, improper or inadequate. The parties consent to the withdrawal of reference, pursuant to 28 U.S.C. §157(d), with respect to any dispute concerning the approval of the Settlement Agreement based on the comments received during the comment period.

45. a. This Settlement Agreement and any documents executed in connection herewith shall be subject to the approval

of the Court. If for any reason the Court should decline to approve this Settlement Agreement and any documents executed in connection herewith, or if a Final Order (as defined in this Paragraph) is entered reversing the Court's order approving this Settlement Agreement and any documents executed in connection herewith, (a) the parties shall not be bound hereunder or under any documents executed in connection herewith; (b) the parties shall have no liability to one another arising out of or in connection with this Settlement Agreement or under any documents executed in connection herewith; (c) the litigation between the parties on the Proofs of Claim shall be restored to the Court's calendar at the earliest mutually convenient time; (d) this Settlement Agreement and any documents executed in connection herewith shall have no residual or probative effect or value, and it shall be as if they had never been executed; and (e) this Settlement Agreement and any documents executed in connection herewith may not be used as evidence in any litigation between the Parties. For purposes of this Paragraph, the term Final Order shall mean an order or decision as to which no appeal may be taken. The Debtors shall promptly use their best efforts to obtain approval of this Settlement Agreement by the Court.

b. Except as specifically provided elsewhere in this Settlement Agreement, in the event that a dispute arises as to the application of any provision hereof, any party may submit such dispute for resolution of the court having jurisdiction over the Bankruptcy Proceeding.

46. If for any reason any of the Bankruptcy Proceedings involving the LTV Debtors are dismissed or, prior to the confirmation date of a Plan of Reorganization, are converted to a Chapter 7 proceeding, then with respect to such LTV Debtors whose Bankruptcy Proceedings are dismissed or converted, (a) the parties shall not be bound hereunder; (b) the parties shall have no liability to one another arising out of or in connection with this Settlement Agreement; (c) this Settlement Agreement shall have no residual or probative effect or value, and it shall be as if it had never been executed; and (d) this Settlement Agreement may not be used as evidence in any litigation between the Parties.

#### IX. REPRESENTATIONS

47. The United States hereby represents and warrants:

- a. that it has taken all action necessary to approve and perform under this Settlement Agreement and any documents executed in connection herewith;
- b. that the Assistant Attorney General signing for the United States below is fully authorized to agree and execute this Settlement Agreement and any other documents executed in connection herewith; and
- c. that this Settlement Agreement and any documents executed in connection herewith, upon execution by the persons and entities signing for the United States below, and upon entry by the Court, will be binding on the United States and



all of its agencies, divisions, departments, and instrumentalities.

48. The Debtors hereby represent and warrant:

a. that they have taken all corporate action necessary to approve and perform under this Settlement Agreement and any documents executed in connection herewith;

b. that no agreement, waiver, or act of the Debtors hereunder and under any other documents executed in connection herewith is in violation of or will violate any law, regulation, practice or procedure under which the Debtors are bound;

c. that the persons and entities signing for the Debtors below are fully authorized to agree and execute this Settlement Agreement and any documents executed in connection herewith; and

d. that this Settlement Agreement and any documents executed in connection herewith, upon execution by the persons and entities signing for the Debtors below, and upon entry by the Court, will be binding on the Debtors.

#### X. NOTICE AT TRANSFER

49. In the event of any transfer, pledge, hypothecation, or other change in any interest in any allowed claim as described in Paragraphs 17, 18, and 24 ("Allowed Claim"):

a. the entity holding the principal interest in the Allowed Claim immediately before such change shall give the Debtor or Debtors against whom the Allowed Claim exists three (3) business days' prior written notice of any such transfer, pledge, hypothecation, or other change;

b. the entity holding the principal interest in the Allowed Claim immediately before such change shall transmit a copy of this Settlement Agreement and Stipulated Order, and any documents executed in connection herewith, to all parties having any interest in the transaction effecting the change; and

c. each Allowed Claim, and any amendments thereto, shall be prominently endorsed with the following legend: "This bankruptcy claim and all interests in it, are governed and restricted by the terms of the certain Settlement Agreement and Stipulated Order entered on (date) with the approval of the United States Bankruptcy Court for the Southern District of New York on (date), all relevant orders of such court, and the Bankruptcy Code and Rules of Procedure."

#### XI. AMENDMENTS/INTEGRATION AND COUNTERPARTS

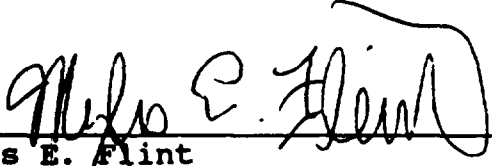
50. This Settlement Agreement and any other documents to be executed in connection herewith shall constitute the sole and complete agreement of the parties hereto. This Settlement Agreement may not be amended except by a writing signed by the party sought to be bound thereunder.

51. This Settlement Agreement may be executed in counterparts each of which shall constitute an original and all of which shall constitute one and the same agreement.

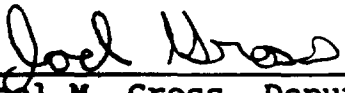
THE UNDERSIGNED PARTIES ENTER INTO THIS SETTLEMENT AGREEMENT

FOR THE UNITED STATES OF AMERICA

Date: FEB 12 1993

  
 Myles E. Flint  
 Acting Assistant Attorney General  
 Environment and Natural Resources  
 Division  
 U.S. Department of Justice  
 Washington, D.C. 20530

Date: Feb. 16, 1993

  
 Joel M. Gross, Deputy Chief  
 Catherine Adams Fiske, Trial Attorney  
 Environmental Enforcement Section  
 Environment and Natural Resources  
 Division  
 U.S. Department of Justice  
 Washington, D.C. 20530

Date: \_\_\_\_\_

\_\_\_\_\_  
 Scott Fulton  
 Acting Assistant Administrator for  
 Enforcement  
 U.S. Environmental Protection  
 Agency  
 401 M Street, S.W.  
 Washington, D.C. 20460

Date: \_\_\_\_\_

\_\_\_\_\_  
 John H. Wheeler  
 Attorney  
 Office of Enforcement  
 U.S. Environmental Protection  
 Agency  
 401 M Street, S.W.  
 Washington, D.C. 20460

THE UNDERSIGNED PARTIES ENTER INTO THIS SETTLEMENT AGREEMENT

FOR THE UNITED STATES OF AMERICA


Date: \_\_\_\_\_

\_\_\_\_\_  
 Myles E. Flint  
 Acting Assistant Attorney General  
 Environment and Natural Resources  
 Division  
 U.S. Department of Justice  
 Washington, D.C. 20530


Date: \_\_\_\_\_

\_\_\_\_\_  
 Joel M. Gross, Deputy Chief  
 Catherine Adams Fiske, Trial Attorney  
 Environmental Enforcement Section  
 Environment and Natural Resources  
 Division  
 U.S. Department of Justice  
 Washington, D.C. 20530

Date: 2/16/93

  
 \_\_\_\_\_  
 Scott Fulton  
 Acting Assistant Administrator for  
 Enforcement  
 U.S. Environmental Protection  
 Agency  
 401 M Street, S.W.  
 Washington, D.C. 20460

Date: 2/12/93

  
 \_\_\_\_\_  
 John H. Wheeler  
 Attorney  
 Office of Enforcement  
 U.S. Environmental Protection  
 Agency  
 401 M Street, S.W.  
 Washington, D.C. 20460

Roger S. Hayes  
United States Attorney for the  
Southern District of New York

Date: 2/17/93

By

A handwritten signature in dark ink, appearing to read "Richard W. Mark", written over a horizontal line.

Richard W. Mark  
Chief, Civil Division  
RM-6884  
Assistant United States Attorney  
100 Church Street  
New York, New York 10007

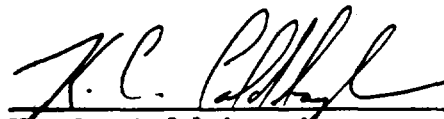
## FOR THE FOLLOWING DEBTORS:

REOMAR, INC.  
BARREL CORPORATION OF WEST VIRGINA  
CONTINENTAL EMSCO COMPANY  
FC DIVESTITURE CORPORATION  
GEORGIA TUBING CORPORATION  
HALCORP, INC.  
J.K. INDUSTRIES, INC.  
J.W. STORAGE COMPANY OF OHIO  
JUDDCORP. INC.  
LTV CORPORATION (WYOMING), THE  
LTV EDUCATION SYTEMS, INC.  
LTV ELECTRO-GALVANIZING, INC.  
LTV HOLDINGS, INC.  
LTV LEASING, INC.  
LTV PROPERTIES, INC.  
LYKES LEASING CORPORATION  
NATIONAL TELEHPONE SYSTEMS, INC.  
SIERRA INFORMATION SYSTEMS  
CORPORATION a/k/a SISCOR  
SIERRA RESEARCH INTERNATIONAL  
CORPORATION  
UNIVERSAL TIME/FREQUENCY, INC.  
LTV INDUSTRIES, INC.  
f/k/a VOUGHT INDUSTRIES, INC.  
LTV MULTINATIONAL CORPORATION  
f/k/a VOUGHT INTERNATIONAL, INC.  
LTV OVERSEAS, LTD.  
f/k/a VOUGHT OVERSEAS, LTD.  
LTVAD PROPERTIES, INC.  
f/k/a VOUGHT PROPERTIES, INC.  
LTV VEHICLE CORPORATION  
f/k/a AM GENERAL CORPORATION  
AMLAND CORPORATION

Date:

2/11/93

By:

  
R. C. Caldabaugh  
President

## FOR THE FOLLOWING DEBTORS:

CHATEAUGAY CORPORATION  
THE LTV CORPORATION  
f/k/a KENTRON INTERNATIONAL  
COMPANY,  
JONES & LAUGHLIN INDUSTRIES, INC.,  
and LYKES CORPORATION  
LTV STEEL TUBULAR PRODUCTS COMPANY,  
f/k/a LTV TUBULAR PRODUCTS COMPANY  
LTV STEEL SPECIALTY PRODUCTS  
COMPANY,  
LTV SPECIALTY PRODUCTS COMPANY, and  
JONES & LAUGHLIN STEEL SPECIALTY  
PRODUCTS COMPANY, INC.  
LTV SALES FINANCE COMPANY  
KENTRON SAUDI ARABIA, INC.  
LORAIN PELLET TERMINAL CO.  
LSC LEASING INC.  
LTV ENERGY PRODUCTS COMPANY  
LTVUS, CORP.  
OIL STATES OFFSHORE MARINE, INC.  
OIL STATES RUBBER CO.  
REPUBLIC DRAINAGE PRODUCTS COMPANY  
REPUBLIC-RESERVE, INC.  
TECHNICAL PLASTICS, INC.  
LTV AEROSPACE AND DEFENSE COMPANY

Date: 2/11/93By: 

K. C. Caldabaugh  
Vice President

## FOR THE FOLLOWING DEBTORS:

GULF STATES STEEL CORPORATION  
REPUBLIC BUILDINGS CORPORATION

Date: 2/11/93By: 

A. W. Huge  
President



## FOR THE FOLLOWING DEBTORS:

LTV STEEL COMPANY, INC.  
 f/k/a JONES & LAUGHLIN STEEL  
 CORPORATION,  
 JONES & LAUGHLIN STEEL INCORPORATED,  
 REPUBLIC STEEL CORPORATION,  
 YOUNGSTOWN SHEET AND TUBE COMPANY,  
 REPUBLIC HIBBING CORPORATION, and  
 d/b/a LTV STEEL FLAT ROLL  
 AND BAR COMPANY  
 BARDALE COAL COMPANY  
 BCNR MINING CORPORATION  
 DEARBORN LEASING COMPANY  
 ERIE B CORPORATION  
 ERIE DEVELOPMENT COMPANY  
 ERIE I CORPORATION  
 REPUBLIC TECHNOLOGY CORPORATION  
 YOUNGSTOWN ERIE CORPORATION  
 YST ERIE CORPORATION

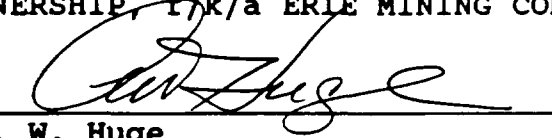
Date: 2/11/93

By:   
 A. W. Huge  
 Vice President

## FOR THE FOLLOWING DEBTOR:

LTV STEEL MINING COMPANY, A LIMITED  
 PARTNERSHIP, f/k/a ERIE MINING COMPANY


Date: 2/11/93

By:   
 A. W. Huge  
 Vice President, Youngstown Erie  
 Corporation, A General Partner

## FOR THE FOLLOWING DEBTOR:

CRYSTALEE

Date: 2/11/93

By:   
 A. W. Huge  
 Vice President, Bardale Coal  
 Company, A Partner

## FOR THE FOLLOWING DEBTORS:

CRYSTALANE, INC.  
NEMACOLIN MINES CORPORATION  
TUSCALOOSA ENERGY CORPORATION

Date: \_\_\_\_\_

By: *D. L. Ashcraft*  
D. L. Ashcraft  
Vice President

## FOR THE FOLLOWING DEBTORS:

JALCITE I, INC.  
JALCITE II, INC.  
JALORE MINING COMPANY, LTD.  
JONES & LAUGHLIN ENVIRONMENTAL  
PROPERTIES, INC.  
JONES & LAUGHLIN MINING COMPANY, LTD.  
JONES & LAUGHLIN ORE MINING COMPANY

Date: 2/10/93

By: *W. G. Wiley, Jr.*  
W. G. Wiley, Jr.  
President

## FOR THE FOLLOWING DEBTORS:

LTV INTERNATIONAL, N.W.  
REPSTEEL OVERSEAS FINANCE N.V.

Date: 2/11/93

By: *D. N. Smith*  
D. N. Smith  
Managing Director

WHEREAS, the Official Committee of Unsecured Creditors of LTV Steel Company, Inc. and Certain Affiliates (the "Steel Committee"), the Official Parent Committee of Unsecured Creditors (the "Parent Committee"), and the Official LTV Aerospace Committee (the "Aerospace Committee") participated in the negotiation of the Settlement Agreement and Stipulated Order, are familiar with its terms and wish to have the Bankruptcy Court approve the Settlement Agreement and Stipulated Order;

IT IS HEREBY STIPULATED AND AGREED THAT:

The Steel Committee, the Parent Committee, and the Aerospace Committee have no objection to and support the Debtors' request for the Bankruptcy Court's approval of the Settlement Agreement and Stipulated Order.

STROOCK & STROOCK & LAVAN  
Co-Counsel for the Steel Committee

By: Mark A. Speiser  
MARK A. SPEISER  
A Member of the Firm  
Seven Hanover Square  
New York, New York 10004  
(212) 806-5400

BLANK, ROME, COMISKY & MCCAULEY  
Counsel for the Parent Committee

By: Raymond L. Shapiro  
RAYMOND L. SHAPIRO  
A Member of the Firm  
Four Penn Center Plaza  
Philadelphia, PA 19103  
(215) 569-5500

WILMER CUTLER & PICKERING  
Co-Counsel for the Aerospace  
Committee

By: Will Perlstein

WILLIAM J. PERLSTEIN  
A Member of the Firm  
2445 M Street, N.W.  
Washington, D.C. 20037  
(202) 663-6000

IT IS SO ORDERED. JUDGEMENT ENTERED IN ACCORDANCE WITH THE  
FOREGOING SETTLEMENT AGREEMENT AND STIPULATED ORDER.

Date: \_\_\_\_\_

\_\_\_\_\_  
United States Bankruptcy Judge

<u>CASE NO.</u>	<u>DEBTORS:</u>
86 B 11270	CHATEAUGAY CORPORATION
11271	REOMAR, INC.,
11272	THE LTV CORPORATION, f/k/a KENTRON INTERNATIONAL COMPANY JONES & LAUGHLIN INDUSTRIES, INC. and LYKES CORPORATION,
11273	LTV STEEL COMPANY, INC. f/k/a JONES & LAUGHLIN STEEL CORPORATION JONES & LAUGHLIN STEEL INCORPORATED REPUBLIC STEEL CORPORATION YOUNGSTOWN SHEET AND TUBE COMPANY REPUBLIC HIBBING CORPORATION d/b/a LTV STEEL FLAT ROLL AND BAR COMPANY
11274	LTV STEEL TUBULAR PRODUCTS COMPANY f/k/a LTV TUBULAR PRODUCTS COMPANY LTV STEEL SPECIALTY PRODUCTS COMPANY LTV SPECIALTY PRODUCTS COMPANY and JONES & LAUGHLIN STEEL SPECIALTY PRODUCTS COMPANY, INC.
11275	LTV SALES FINANCE COMPANY
11279	BARDALE COAL COMPANY
11280	BARREL CORPORATION OF WEST VIRGINIA
11281	BCNR MINING CORPORATION
11464	CONTINENTAL EMSCO COMPANY
11282	CRYSTALANE, INC.
11283	CRYSTALEE
11284	DEARBORN LEASING COMPANY
11285	ERIE B CORPORATION
11286	ERIE DEVELOPMENT COMPANY
11287	ERIE I CORPORATION
11288	ERIE MINING COMPANY, A LIMITED PARTNERSHIP
11289	FC DIVESTITURE CORPORATION
11290	GEORGIA TUBING CORPORATION
11291	GULF STATES STEEL CORPORATION
11292	HALCORP, INC.
11293	J.K. INDUSTRIES, INC.
11294	J.W. STORAGE COMPANY OF OHIO
11295	JALCITE I, INC.
11296	JALCITE II, INC.
11297	JALORE MINING COMPANY, LTD.
11298	JONES & LAUGHLIN ENVIRONMENTAL PROPERTIES, INC.
11299	JONES & LAUGHLIN MINING COMPANY, LTD.
11300	JONES & LAUGHLIN ORE MINING COMPANY
11301	JUDDCORP. INC.
11302	KENTRON SAUDI ARABIA, INC.
11303	LORAIN PELLET TERMINAL CO.
11304	LSC LEASING INC.
11402	LTV CORPORATION (WYOMING), THE
11305	LTV EDUCATION SYSTEMS, INC.
11306	LTV ELECTRO-GALVANIZING, INC.
11307	LTV ENERGY PRODUCTS COMPANY
11308	LTV HOLDINGS, INC.

86 B 11309 LTV INTERNATIONAL, N.V.  
11310 LTV LEASING, INC.  
11311 LTV PROPERTIES, INC.  
11312 LTVUS, CORP.  
11313 LYKES EQUIPMENT CORPORATION  
11314 LYKES LEASING CORPORATION  
11316 NEMACOLIN MINES CORPORATION  
11317 OIL STATES OFFSHORE MARINE, INC.  
11318 OIL STATES RUBBER CO.  
11319 REPSTEEL OVERSEAS FINANCE N.V.  
11320 REPUBLIC BUILDINGS CORPORATION  
11321 REPUBLIC DRAINAGE PRODUCTS COMPANY  
11322 REPUBLIC TECHNOLOGY CORPORATION  
11323 REPUBLIC-RESERVE, INC.  
11326 TECHNICAL PLASTICS, INC.  
11327 TUSCALOOSA ENERGY CORPORATION  
11333 YOUNGSTOWN ERIE CORPORATION  
11334 YST ERIE CORPORATION.

<u>CASE NO.</u>	<u>DEBTORS:</u>
86 B 11276	LTV AEROSPACE AND DEFENSE COMPANY
11315	NATIONAL TELEPHONE SYSTEMS, INC.
11324	SIERRA INFORMATION SYSTEMS CORPORATION, a/k/a SISCOR
11325	SIERRA RESEARCH INTERNATIONAL CORPORATION
11328	UNIVERSAL TIME/FREQUENCY, INC.
11329	VOUGHT INDUSTRIES, INC.
11330	VOUGHT INTERNATIONAL, INC.
11331	VOUGHT OVERSEAS, LTD.
11332	VOUGHT PROPERTIES, INC.

EXHIBIT C

<u>CASE NO.</u>	<u>DEBTORS:</u>
86 B 11277	LTV VEHICLE CORPORATION f/k/a AM GENERAL CORPORATION
11278	AMLAND CORPORATION





**FIRST CLASS MAIL**

 **Steel**

LTV Steel Company  
Law Department  
25 West Prospect Avenue  
Cleveland, Ohio 44115

From: D. E. Papajcik

**First Class Mail**

To: Linda Beasley  
Enforcement Specialist  
U.S. Environmental Protection Agency  
Region V  
Emergency Support Section (HSE-5J)  
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